



June 6, 2023

Joint Committee on Financial Services
Rooms 112 & 254
State House
Boston, MA 02133

Chairman Feeney, Chairman Murphy, and Members of the Committee:

My name is Michael Ferrante, and I am President of the Massachusetts Energy Marketers Association. Our association represents the over 300 companies that provide an array of energy products and services to hundreds of thousands of homes and businesses statewide including heating oil, renewable liquid biofuels – also known as Bioheat or biodiesel – propane, electric heat pumps and heating system installation and repair, including the installation of new or replacement heating oil storage tanks and oil supply and return lines.

On behalf of our Board of Directors and our entire membership, I want to offer our support for passage of **House 1129** and **Senate 648 – Acts relative to the remediation of home heating oil releases**.

Our association believes both legislative proposals are vitally important in helping homeowners effectively remediate the impact of a heating oil release to the environment, and for helping homeowners with the costs associated with remediation, which at times can be significant.

I would also like the Committee to know that the heating oil industry has made significant progress over the past decade on educating their customers on the need to replace aging heating oil storage tanks with newer, technically superior vessels that increase energy efficiency and help lessen the chances of a release of liquid fuel into the environment. This outreach has resulted in the replacement of thousands of heating oil storage tanks across Massachusetts.

Additionally, this effort has been supported by an equipment rebate program offered by our association in conjunction with the National Oilheat Research Alliance that provides rebates for new heating systems and heating oil storage tanks.

In addition, and even though this legislative proposal is before the Joint Committee on Telecommunications, Utilities and Energy; it is important for your Committee to know that our association strongly opposes passage of **House 3686 – An Act requiring disclosure to consumers regarding home heating oil insurance**.

This proposal is directly related to House 1129 and Senate 648 since it would require heating oil retailers to annually provide their customers with notification of the availability of additional insurance coverage for covering the remediation costs associated with a release of home heating oil into the environment.

Our association is opposed to H3686 for the following reasons:

1. Heating oil retailers are not insurance agents or insurance agencies. They should not be required to communicate with their customers about subject matter that is not germane to their core business.
2. Communicating to homeowners about insurance coverage of any kind should be the sole responsibility of insurance agents and agencies. Hence, any requirement for annual mandated communication to homeowners regarding insurance coverage for releases of home heating oil, or the risks associated with heating a home with natural gas, propane or electricity should fall on insurance agents or agencies.
3. Requiring heating oil retailers to annually provide their customers with notification of the availability of additional insurance coverage for covering the remediation costs associated with a release of home heating oil into the environment will most certainly place retail heating oil companies at greater risk for legal action against their companies.
4. There are two types of heating oil companies in Massachusetts: Full-service operations and COD, or cash- on-delivery companies. Full-service companies typically have several fuel delivery vehicles and equipment service/repair vans, they have a team of employees and communicate regularly with their customers. Conversely, COD companies – and there are hundreds in Massachusetts – are small operations that usually have one delivery truck and one or two employees. These companies sell only fuel oil, require cash-on-delivery for that fuel, and do not service or repair heating systems. These companies do not regularly communicate with their customers, and they will not be capable of communicating any insurance information required under H3686. Passage of H3686 will unfairly burden full-service heating oil companies and will not capture the entire heating oil delivery market.

Thank you for the opportunity to testify in support of House 1129 and Senate 648, and in opposition to House 3686.

Respectfully submitted,

Michael Ferrante

Michael Ferrante | President